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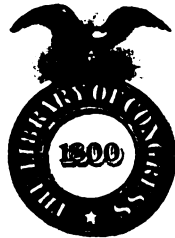
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HEARING

BEFORE THE

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COMMITTEE ON INDUSTRIAL ARTS AND EXPOSITIONS

OF THE

HOUSE OF REPRESENTATIVES.

LOAN OF ONE MILLION DOLLARS TO JAMESTOWN EXPOSITION.

DECEMBER 19, 1906.

COMMITTEE ON INDUSTRIAL ARTS AND EXPOSITIONS,
FIFTY-NINTH CONGRESS.

A. P. GARDNER, CHAIRMAN.

JAMES S. SHERMAN.	FRANK J. LE FEVRE.
JUSTIN D. BOWERSOCK.	CHARLES L. BARRETT.
WILLIAM A. RODENBERG.	HARRY L. MAYNARD.
JOSEPH HOWELL.	GEORGE S. LEGARE.
HARRY C. WOODYARD.	HENRY M. GOLDFOGLE.
ERNEST M. POLLARD.	MARCUS C. L. KLINE.
CLARENCE C. GILHAMS.	JOSEPH L. RHINOCK.
JAMES MCKINNEY.	

W. W. LUFKIN, CLERK.

WASHINGTON:

GOVERNMENT PRINTING OFFICE.

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LOAN TO JAMESTOWN EXPOSITION.

COMMITTEE ON INDUSTRIAL ARTS AND EXPOSITIONS,
HOUSE OF REPRESENTATIVES,
Monday, December 17, 1906.

The committee met at 10.30 o'clock a. m., Hon. James S. Sherman (acting chairman) in the chair.

Mr. MAYNARD. Mr. Chairman, Mr. Myers and these other gentlemen are here to be heard this morning, but before they begin there is a letter here from the national commission which perhaps it would be proper to read first.

Mr. SHERMAN (acting chairman). The minutes of the meeting will show that the chairman of the committee presents this letter received from the Jamestown Exposition Commission.

The clerk read the letter referred to, as follows:

TREASURY DEPARTMENT.
OFFICE OF THE SECRETARY.
Washington, December 14, 1906.

MY DEAR SIR: In response to the verbal request of the Committee on Industrial Arts and Expositions of the House, made to the Secretary of War for a report by the Jamestown Tercentennial Commission on a bill authorizing a loan to the Jamestown Exposition Company of \$1,000,000, the Commission beg leave to submit the following:

The bill is practically identical in phraseology with the law which authorized the loan of \$4,600,000 to the Louisiana Exposition Company.

Whether the proposed loan ought to be made is a question to be determined by the legislative department, and the best this Commission can do is to report the facts necessary to enable the Congress to reach a wise conclusion.

Unfortunately there is very little information on which to base an accurate estimate. Assuming that the claim of the board of governors relative to previous expositions is correct, the following facts appear:

The Trans-Mississippi Exposition at Omaha continued six months and had an aggregate attendance, in round numbers, of 1,800,000.

The Pan-American Exposition at Buffalo continued five months and had an aggregate attendance, in round numbers, of 5,300,000.

The Louisiana Purchase Exposition at St. Louis continued six months and had an aggregate attendance of 12,800,000.

The Lewis and Clark Exposition continued five months and had an aggregate attendance, in round numbers, of 1,800,000.

If the Tercentennial Exposition can be managed relatively as economically as the one at St. Louis and has a paid attendance of 3,000,000, it will be able to pay the proposed loan. What the attendance will be no one can foretell, the exposition is to continue seven months. There are many new and interesting features. There is to be a great naval display and a great military display. It is a seashore resort. The population that can reach the exposition within twelve hours is probably as large as that contiguous to any previous exposition, while one-half of the population of the United States can reach it in twenty-four hours. While the railroad facilities are not as extensive as at most of the other expositions named, yet seven trunk lines enter Norfolk. In addition to this there are regularly established steamship lines to Norfolk from Providence, Boston, New York, Philadelphia, Baltimore, Washington, and

Richmond. Several other lines of coastwise steamers touch at Norfolk, and in addition there are five trans-Atlantic lines, though of irregular sailings.

The board of governors report association and church meetings with an aggregate attendance of a little over 1,000,000 actually pledged. This is exclusive of military and semimilitary organizations from the several States and different colleges.

If the exposition should be a failure, the Government would doubtless suffer some loss, but in view of the important interests involved and the Government expenditure already made, the Commission considers the risk one which can reasonably be assumed.

If the bill should pass, the Commission recommend the following amendments:

Line 2, page 4, omit the words "and in the same manner."

Lines 8 and 9, page 4, omit the words "forty per centum of said gross receipts."

Strike out from line 14 to line 19, inclusive, on page 4, the words "The Secretary of the Treasury is hereby authorized to supervise the collection and take possession of all said gross receipts and continue such supervision and collection until the full sum of said \$1,000,000 has been collected and repaid into the Treasury of the United States, as herein provided," and insert in lieu thereof the following:

"The Secretary of the Treasury is hereby authorized, by his agents and representatives by him selected and appointed, to collect, receive, and control the said gross receipts until the full sum of said \$1,000,000 has been collected and repaid into the Treasury of the United States as herein provided, and shall have access to and control of all books of accounts and contracts of said company. And said Secretary of the Treasury shall, in such case, first pay out of the moneys so collected such operating expenses as in his judgment and discretion are necessary and appropriate."

Respectfully,

L. M. SHAW.
WM. H. TAFT.
CHARLES J. BONAPARTE.

HON. A. P. GARDNER,
*Chairman Committee on Industrial Arts and Expositions,
House of Representatives.*

Mr. SHERMAN (acting chairman). Now, Mr. Myers, please proceed.

Mr. MYERS. I am going to ask you to hear first Mr. T. J. Wool, general counsel for our company, who has various data that we have arranged together.

Mr. SHERMAN. (acting chairman). Very good.

Mr. MYERS. I have here, Mr. Chairman, and place in your hands, a copy of this same bill that was pending in the Senate, as the two bills are identical. The Senate Committee on Industrial Expositions reported the bill on Saturday, with certain amendments, and just as a matter of uniformity I thought it would be interesting to have before you the amendments they made. That covers the amendments of the National Tercentennial Commission, with the additional one absorbing that other bill, as to the opening and closing dates. That bill was reported by the committee to the Senate and is in the Senate this morning.

Mr. SHERMAN (acting chairman). That is the form in which it was reported?

Mr. MYERS. Yes, sir.

STATEMENT OF MR. T. J. WOOL.

Mr. WOOL. Mr. Chairman and gentlemen of the committee, it is hardly necessary for me to say anything about our exposition to a committee that has two or three times considered the various details with reference to it. The bill under consideration requires

that we consider three points very briefly. The first is the need of this legislation, the second is the propriety of this legislation, and the third is the security that is offered. If it can be demonstrated that this money is absolutely needed, and that it is proper for the Government to enact a law similar to the one which is before the committee, and that the security is such that there is no great risk assumed by the Government, then it seems that the bill should pass, and if it should pass, should pass at once.

In the first place, we are endeavoring, gentlemen, to hold an exposition of which the entire Government and all the people of the United States may be proud. We have an admirable location. We have expended up to this time about \$940,000. We always felt as though we would need a million dollars, and you will remember that we said that we would need that much, in addition to what we could raise from outside sources, and you will remember that at the last session of Congress a bill was introduced asking for a direct appropriation of \$1,000,000. The appropriation was cut down to \$250,000. Up to this time, as I say, we have expended in the work \$940,000 or \$950,000. We see our way clear to raise from our stockholders and from various sources in the neighborhood of \$600,000 more, but that will come in along by degrees and will not come exactly as it is needed.

We have about \$380,000 that will be due on contracts already let. We owe to the banks already about \$80,000, and in order to pay the ordinary operating expenses between now and the opening of the exposition, such as that for the necessary amount of publicity, the necessary clerical force to get together all the various data, collecting the exhibits, and so forth and so on, we will need the rest of the \$600,000 that we can raise. So it is necessary for us to have at least \$1,000,000 more than we see in sight. It will cost us about \$250,000 to arrange for our lighting plants and for the distribution of our lighting system, and that we can not raise—we see no way of raising—without governmental assistance.

In all the various departments there is a need similar to that with reference to the lighting plant. For instance, all our work boiled down means the creation of the exposition along the lines planned, without a single dollar paid for lighting, and of course the exposition would be nothing unless we had money to light it with. About a month or more ago a committee was appointed to find out just exactly what the company would need to complete and open on time, the 26th of April, and we found by going to the various departments that it would take \$1,675,000, including the present contracts that are let. So that if we raise \$600,000 or a little more, a million dollars is absolutely a necessity to open the exposition and open it properly. I presume it is hardly necessary for me to go into the details of this, but I will state that about a million dollars of this amount has to be expended upon the exposition grounds. So that the thing is absolutely apparent.

It will be impossible for us to open the exposition without assistance from some source. I need not state to the committee that it is absolutely impossible to borrow or to raise in our community a million dollars more than the \$600,000 which we see in sight. It is absolutely impossible. Our banks are like the banks in other places at this time, hardly able to keep up with the necessary calls upon

them. In addition to this the holding of a great exposition in a community calls naturally for a large number of investments such as would not ordinarily be called for. For instance, we have in course of construction some eight or ten large hotels, permanent buildings, which are largely being financed in our own community, and the concessionaires who are erecting the buildings on the grounds are doing so largely with the help of local capital. So that the extra drain made upon our community in these various ways is such that we can not expect to get this money from the banks. It will be impossible.

The fact that the exposition company absolutely needs \$1,000,000 more than it can raise, and that this money can not be borrowed from our banks being conceded, the next inquiry is whether or not, in view of all the circumstances, it is proper for the Government to come to the assistance of the exposition company by making a loan as set forth in the bill under discussion. The argument in answer to this question is simply this, that the Government of the United States is virtually interested in this exposition. The Government has already invested about \$1,750,000 in this great enterprise, and it is vitally important that the exposition should be held in a manner in keeping with the dignity of the nation, and in keeping with the dignity of the event to be commemorated.

Mr. SHERMAN. You do not mean that the Government has a million and three-quarters invested there? You mean there is that much all told—\$1,750,000 invested?

Mr. WOOL. No; I mean that the Government has practically up to this time invested a million and three-quarters. At the last session there was a bill appropriating in aid of the exposition, and for Governmental buildings, piers, and so forth, something like \$1,500,000, and at the session before that there was appropriated something like \$275,000, to the Jamestown Tercentennial Commission to be used in connection with the naval celebration. So that the Government has already invested in this enterprise \$1,750,000.

We expect to hold a great exposition. Our company will have invested in this exposition, if this loan is granted, in the neighborhood of \$2,500,000, because we can and will raise \$1,500,000 with the assistance already received, and this loan will make a million more, which will be put into the exposition. The expenditure, as shown by the bill, would have to be made upon the exposition work, the money to be disbursed under rules and regulations established by the Secretary of the Treasury. The total exposition, the complete exposition, will cost something like \$10,000,000, the Government's part will amount to \$1,750,000, the exposition company's part to \$2,500,000, and the concessionaire's to about \$2,000,000. We have about 300 concessionaires. The exhibitors will expend from a million to a million and a half in installing their exhibits, and the various States will expend in the neighborhood of \$2,000,000. There has been already appropriated and in course of appropriation by the States about \$1,700,000. So that the finished exposition will represent an expenditure of about \$10,000,000 in all.

The question that I ask is this: Is it proper—is there a propriety in it—for the Government to make this loan? I say that there is a propriety in it, because the Government is vitally interested in seeing that this exposition is held in a manner in keeping with its dig-

nity and its honor. It has invited the nations of the earth to send their ships and soldiers and their military organizations here, and I expect we will have there the greatest representation of foreign and military officers that has ever been at any one place in the history of the world.

Not only that, but we want the American people to be there to see our Navy and see it in comparison with the navies of other countries; and from this point of view the Government is vitally interested.

In addition to this fact, this question has already been decided. The United States made a loan to the St. Louis exposition of \$4,600,000 when they came, just in the same condition that we are in here to-day. It was then determined by legislative enactment that it is a matter of propriety for the Government to assist a great exposition which is being held, inaugurated, approved, and assisted by it. I say that it is proper because the St. Louis appropriation was made.

Mr. BARTLETT. Did we not also lend on the 21st of May, 1884, a million dollars to the Louisiana exposition, the World's Industrial Cotton Centennial Exposition, and in addition to that did we not appropriate \$350,000 to pay the indebtedness, premiums, and awards, and wipe it out?

Mr. WOOL. Yes, sir.

Mr. BARTLETT. We had better get that in, too, if you want to give precedents of how bad we may be, if you want an illustration as to what a number of bad precedents we may sometimes have.

Mr. WOOL. Yes. Now, as a matter of fact, even though it might be that the Government did not get all its money back——

Mr. BARTLETT. We never got a dollar back from New Orleans.

Mr. WOOL. It got it all back from St. Louis, and I am inclined to think that if the New Orleans bill had been drawn on the lines of the St. Louis bill they would have gotten all their money back there.

Mr. BARTLETT. We would probably have had government ownership of expositions there.

Mr. SHERMAN. In the New Orleans exposition the Government would have had to take over the exposition, which would have been upwards of a million dollars, so that I guess it was a good plan to make that loan. Excuse the interruption, Mr. Wool; go on in your own way.

Mr. WOOL. The next question is whether the Government would be reasonably secure in lending a million dollars to this exposition. You gentlemen are familiar with the bill, with its terms, with the manner in which it has been safeguarded.

Mr. POLLARD. Was this bill drawn along the lines of the St. Louis bill?

Mr. WOOL. The original bill is drawn along the lines of the St. Louis bill, with the exception that the loan there was much larger; but we have the amendments suggested by the Jamestown Tercentennial Commission.

Mr. MAYNARD. By this national commission?

Mr. WOOL. By the national commission. The effect is to safeguard the Government more strongly than it was in the St. Louis bill.

In looking at the question of security, we have to depend considerably on what income expositions have. This bill provides that the Government shall have a first lien upon the receipts at the gates and

upon the receipts from concessions after the opening of the exposition.

Mr. BARTLETT. May I interrupt you right there?

Mr. WOOL. Certainly.

Mr. BARTLETT. There is a matter that has troubled my mind heretofore and that troubles it now. It is this: You are going to make an instrument in writing; as the bill provides, as soon as this bill becomes a law and is approved, you are going to make an instrument in writing. I suppose you want this passed before the 1st of January, because it provides what shall be paid out in January, and each month thereafter.

Mr. WOOL. Yes.

Mr. BARTLETT. You provide that an instrument in writing shall be drawn "giving and securing to the Government a first lien upon its said gross receipts," and so forth. Now, what sort of instrument are you going to draw, and on what are you going to secure this; on things that are entirely conjectural and not in esse, or anything of the sort? You can give a contract, but you want an instrument in writing giving a lien.

Mr. TUCKER. The same sort of a mortgage that you give on your cotton crop.

Mr. BARTLETT. We do not give a mortgage on our cotton crop, and never have, except those that have been declared absolutely void. But the statute law of Georgia provides that you may give a mortgage on your crop after it is planted and growing. That is our statute.

Mr. MAYNARD. This is certainly planted and growing.

Mr. BARTLETT. That is a legal proposition.

Mr. WOOL. All I can say is that if this bill is passed it will be laid before our board of directors, and our board of directors will accept the provision of this bill and will enter into an agreement to carry out the terms of this bill, and I should think that if we received any money under those terms we would be bound.

Mr. BARTLETT. I am not speaking about creating a debt.

Mr. SHERMAN. They can not mortgage what is not in existence, but they can give an agreement which will hold them not only civilly but criminally.

Mr. BARTLETT. I do not know about that.

Mr. SHERMAN. There is no doubt about that. It would hold them criminally if they diverted this fund from the channels agreed upon.

Mr. BARTLETT. That did not trouble me and does not trouble me. I have no doubt whatever that these gentlemen will carry out exactly the provisions of the bill as far as they can; but the question was, How are you going to give a first lien? This would provide that it would be a lien that would be a lien above that of every other creditor, and the Government would be entitled to priority over everyone else. Now, the trouble that I have about it is this, it does not trouble me at all, because I have a conviction about it. The only question that I asked Mr. Wool was this, how he was going, in law, to fix up an agreement that would bind the assets.

Mr. SHERMAN. As against some other claimant?

Mr. BARTLETT. Yes; against other people. In other words, if it should turn out that this exposition did not pay its debts, and there

should come a contest between the Government and other creditors, would not a court be compelled to distribute it in equity equally?

Mr. TUCKER. I think, if Judge Bartlett will permit me——

Mr. BARTLETT. That is a question that I want to hear discussed.

Mr. TUCKER. If you will refer to the case of *Holroyd v. Marshall*, which was the case in which the question first arose, and in which the law was settled, which has been the law ever since, you will find that point. That was a case of a deed of trust or mortgage on a mill, carrying a lien on all machinery that might go into the mill. A year after the machinery went into that mill the question arose whether it was covered by the lien or was open to the attack of other creditors. The court held that the mortgage, though the machinery was not in esse, as soon as it became in esse attached to it in preference to the other creditors, and that has been the line of the decisions uniformly. In addition to that, the Attorney-General of the United States, who is a member of this Tercentennial Commission, has passed upon this bill and has made no objection on that score. But, as a legal proposition, I beg to state that following that case, which is one of the leading cases on the subject, there has been a uniformity of decision about it, and I know of no change.

Mr. LEGARE. I do not think there is any doubt about it being possible to fix that thing by statute. In my State we give a mortgage on all the crops grown in the year upon a certain piece of land. What do the laws of Virginia do in that regard?

Mr. BARTLETT. We do not fix that by statute.

Mr. TUCKER. You will find the law laid down in the case I have mentioned.

Mr. WOOL. My understanding is that the Government has a lien by statute wherever a debt is owing to the Government.

Mr. BARTLETT. Yes; for a Government debt. But here is a place where the Government goes out and lends money, and the Government gets out of governmental business when it undertakes to loan money.

Mr. WOOL. I think there may be a technical question there, but it is not a very practical question, for this reason——

Mr. BARTLETT. It is a very lively question, in my mind.

Mr. WOOL. What I was going to say is that there will probably be no other creditors of the exposition company, if this bill passes, except its own stockholders.

Mr. BARTLETT. Of course there is no trouble with the stockholders, if the question should arise. Even in a court of equity the stockholders could not take the money that the Government had furnished under these conditions.

Mr. WOOL. That is what I say. There will be no obligations outside of this \$1,000,000, except the money furnished by the stockholders.

Mr. BARTLETT. Suppose there is a contest between them and the people who build these buildings at the exposition. I hope that you will be successful, but everything is not as it looks to be, about business or anything else. Suppose there should be a contest between the Government and the laborers, after you spent this money, and they were not paid; what would happen there, in a contest between the Government and those people?

Mr. WOOL. If the laborers secure a mechanic's lien, they can, of course, come in against the property, as far as that is concerned; but I do not think they can interfere with the receipts even then, because they would have their lien by statute.

Mr. LEGARE. Under the laws in your State, can you give a first lien on the receipts of any kind of a show?

Mr. WOOL. I do not know that there has been a question of that kind; that I can think of a Virginia decision of that kind.

Mr. TUCKER. No; but it is on the same principle, if you will pardon me.

Mr. LEGARE. Can you give a lien on an unplanted crop?

Mr. TUCKER. Yes, sir. That principle has been thoroughly recognized. I do not think the committee need have any trouble about that.

Mr. KLINE. You could not do it in Pennsylvania. The only means by which a lien could be obtained is by a general assignment.

Mr. BARTLETT. I remember looking into the proposition when the St. Louis proposition was here, and I found out that it was not a universally accepted proposition; it was not four years ago.

Mr. TUCKER. The court makes this distinction. It says that the lien is not a lien on a thing which is not in esse, but the very moment the thing becomes in esse, then it applies to it in preference to other creditors.

Mr. SHERMAN. Do you contend, Judge Tucker, that this instrument when executed would protect the Government against anyone who had filed a mechanic's lien?

Mr. TUCKER. Yes, sir; because the mechanic's lien law attaches merely to the thing. Under our law, and I suppose under most laws, they have to get out certain papers, you know.

Mr. SHERMAN. Yes.

Mr. TUCKER. It attaches to the building.

Mr. KLINE. In rem.

Mr. TUCKER. Yes. This is a lien, not in rem, but on the gate receipts.

Mr. SHERMAN. Yes.

Mr. BARTLETT. We might as well discuss this, because I am very much troubled about it. If you gentlemen seek to assure us that the Government is secured in this loan, let us discuss it. Take it that there is no lien filed by mechanics, or anybody else, and there is nothing but the plain promissory note of the corporation to pay money, and that comes to a contest in the courts between the other creditors and the Government. Now, what priority would this paper that you propose to give to the Government give the Government as a creditor against a man with a simple note? That is the proposition.

Mr. SHERMAN. That is clear enough.

Mr. TUCKER. I am glad you mentioned that, because the case occurs to me. This case of *Holroyd v. Marshall* was exactly the case you have put.

Mr. BARTLETT. Will you not be kind enough to tell me where I can find that case?

Mr. TUCKER. It is in *Bispham on Equity*. It is quoted by *Bispham* as the leading case, I think.

Mr. KLINE. He is pretty good authority; that is, from Pennsylvania.

Mr. TUCKER. First rate; there is no better book published on equity than that.

Mr. LEGARE. You can give us that reference?

Mr. TUCKER. Yes.

Mr. KLINE. In the State of Pennsylvania I do not think you could get a preference in the form you refer to here. In Pennsylvania it would be an assignment. In that State you can assign anything that is in esse or in futuro.

Mr. TUCKER. You will find the statutes of the States differ considerably.

Mr. KLINE. The States may be different, and it may be possible under some statutes to acquire a lien on it.

Mr. BARTLETT. I asked about a first lien.

Mr. KLINE. A first lien?

Mr. BARTLETT. Yes. You could not at common law get a first lien, and the only way you could get it would be by statute.

Mr. LEGARE. Yes.

Mr. SHERMAN. Proceed, Mr. Wool.

Mr. WOOL. I stated in the outset that according to our budget of needs, in addition to what we can raise, the \$1,000,000 loan is all that we will need. It will be remembered that a year ago I stated here in this room that we needed a million dollars more than we could raise. I so state now, and the need of it is greater to-day than it was then, and more apparent. But if that million dollars is forthcoming, I do not believe, with the facts and the figures before me as I see them to-day, and with the economical management that I know is taking place and will take place, that there will be any debt. There will be no debt due to anyone except the Government, except to our own stockholders. And if that is the case, there can be no question of the security from a legal point of view as to the money advanced by the Government.

Mr. BARTLETT. Pardon me again. That is not a legal point. That is not a question of law.

Mr. WOOL. Yes; it is a question of law that the Government would come in ahead of the stockholders.

Mr. BARTLETT. Oh, I never had any question about that.

Mr. SHERMAN. In discussing the need for this money you have mentioned but one item of expenditure that would be necessary, and that item is \$250,000.

Mr. WOOL. My effort was at that time not to consume too much of the time of the committee. I have a statement here prepared of amounts needed to complete the exposition.

Mr. SHERMAN. If you prefer not to consume time in reading that, you can give it to the stenographer to be incorporated in the minutes.

Mr. WOOL. Yes, sir; I will file it. There is no reason why the committee should not know everything connected with it. The principal item is the department of works. This whole budget amounts to \$1,675,000, and we can raise out of that between \$600,000 and \$700,000, which is due us by our stockholders and from other sources in connection with the exposition.

Mr. SHERMAN. When you were interrupted you were discussing the probabilities as to the income.

Mr. WOOL. Oh, yes. Now to return to that point. The whole question of security, as carried out or set forth under this bill, is a question of the attendance at the exposition. It has been found by perusing the statements of various expositions that exposition companies derive a certain average sum from each attendance. For instance, the Trans-Mississippi Exposition derived 45 cents at the gates from each person that went in, on an average. That is 50 cents admission, for grown people and 25 cents for children. It averaged 45 cents. The Pan-American Exposition averaged 47 cents. The Lewis and Clark Exposition averaged 44 cents.

We estimate that we will average 46 cents for each paid admission. In the same way the history of each exposition shows what is the income derived from concessions—I mean the net income—to the company. Each exposition company grants certain concessions upon a percentage basis, and the company is to receive a percentage of the gross receipts taken in by the concessionaires. For instance, on some concessions we get 25 per cent, on some 20 per cent, on some 30 per cent, and there is an average running through the whole list of some two or three hundred concessions. The percentage at the Trans-Mississippi Exposition was 25 per cent, at the Pan-American it was 28 per cent, at the Louisiana Purchase Exposition, we have not the exact figures; at the Lewis and Clark Exposition it was 29 per cent, and at our exposition we estimate 25 per cent, which is as low as any.

Carrying this out, we find that at the Omaha Exposition they derived 17 cents from each person that went into the gates, from each paid admission—that was the exposition's part of the concessions. In other words, each person that went in the gates at Omaha paid 45 cents, on the average, at the gates, and averaged 17 cents to the exposition company, from amounts spent on concessions—that is, 17 cents on the average reached the exposition company. At the Pan-American Exposition 27 cents was the average amount that went to the exposition company. At the Louisiana Purchase Exposition 28 cents was the average.

Mr. POLLARD. From concessions?

Mr. WOOL. Yes; all this is from concessions. The Louisiana Purchase Exposition, as I said, averaged 28 cents. At the Lewis and Clark Exposition the average was 16 cents. We have estimated our receipts from this source at 22 cents. I will state here that in arriving at this estimate we have taken into consideration the fact that we have an extremely large and attractive number of concessions, in the first place, and in the second place we have very remunerative concessions that were wanting at other expositions. One, in particular, which I will name is the launch concession. Every exposition has had a launch concession, but it has been mainly for canoes and naphtha launches about a little lake. With us we expect to have a great naval fleet, and the launch concessionaire has ordered some 40 or 50 powerful launches with which to take people from the grounds out to visit the fleet, and out about and among the fleet, and we estimate that it will be a very remunerative concession and one that will be very greatly patronized.

Mr. SHERMAN. If you care to state, what percentage of the receipts do you receive from that particular concession?

Mr. WOOL. I think it is 20 per cent.

Mr. SHERMAN. Twenty per cent of the gross?

Mr. WOOL. Twenty per cent of the gross.

Mr. SHERMAN. Of course all of this is the gross?

Mr. WOOL. Yes. I say we have estimated 22 cents for each concession, on the average, and, adding together the 22 cents and the 46 cents, we calculate that we will receive 68 cents for each paid admission.

Now the question comes, How many people are we going to have to attend the exposition? The figures of other expositions we have before us, and they are set forth in a letter from the national commission. The Omaha Exposition had about 1,800,000, the Pan-American Exposition about 5,300,000, the Louisiana Purchase Exposition about 12,800,000, the Lewis and Clark Exposition about 1,800,000, in round figures. The question is, How many paid admissions will there be from the attendance at the Jamestown Exposition? In estimating this I desire to call to your attention the fact that we have one thing that no other exposition has had—that is, large steamboat connections as well as most excellent railroad facilities. We have steamboats plying between Washington and Baltimore and Philadelphia, New York, Providence, and Boston, down the canal through the North Carolina towns and also through to the southern ports.

There will be probably two or three steamers that will leave Washington every day, and two that will leave Washington every night. There will probably be two or three leaving Baltimore every day and two every night. Each of the steamship lines is now getting ready for the increased travel, and many of them are building ships just for this particular purpose, and began their construction a year ago. The Norfolk and Washington Steamboat Company has constructed a ship known as the *Jamestown*, which is calculated to carry 2,500 people, to be used on the day service, and it has arranged to charter another one, which will leave Norfolk at the same time that this one leaves Washington.

Mr. BARTLETT. In the present condition of the public mind most people prefer now to go by steamship rather than by rail for expedition and safety.

Mr. WOOL. Yes. One reason why so many people will visit our place by water is that they can visit the capital of the country, Washington, and then take a sail down the bay, or they can visit Norfolk and then take a sail up the bay to Washington.

Mr. SHERMAN. Has it ever occurred to you that the people who visit Washington generally do so during the cooler months? They do not do so during the warm months.

Mr. WOOL. This exposition is to run from the 26th of April to the 30th of November, provided the bill is passed and the changes contemplated are made, and during that time we have pretty nearly all different kinds of weather.

But, as a matter of fact, our Norfolk section is very much of a seaside resort in the summer time. We have a large number of hotels and of private cottages, summer homes, all along Chesapeake Bay, and it is getting every year to be more and more a place where people are going during the heated term to get the benefit of the bathing and the various advantages which the seashore affords. Now, when you consider that we have within twenty-four hours' ride half of the population of this country, and within twelve hours about 22,000,000, when you consider that that portion of the country takes in the most

populous cities, practically, of the country, with the exception of Chicago, perhaps, and St. Louis—I mean in the whole eastern country—and when you further consider the fact that we will have there the greatest naval aggregation that the world has ever witnessed, and that that will bring with it a large number of private yachts and all classes of different kinds of vessels, you can readily see that there will be an added attraction.

It will not only be a great exposition on land, but it will be a great exposition on the water. And there is another point. There never was an exposition that had such an aggregation of military detachments from the National Government, from foreign governments, from the various States, from the various military colleges, and the various semimilitary organizations, such as the Knights of Pythias and others; so that we have another attraction that no other exposition ever had.

The question, then, comes with taking this broad view of the situation, what will be the attendance at our exposition? Now, we say that we will have about 5,000,000, nearly as many as Buffalo had. That is what we say. That is our estimate, that we will have very nearly as many as Buffalo had. Buffalo had some advantages that we have not. We will have some advantages that Buffalo did not have. Buffalo was open for five months, our exposition will be open for seven months. About twenty of the States—twenty-two of the States—I think have assured us of their participation; and there are several more that will do so this coming January; so that we hope to have at least thirty States represented on the grounds.

Mr. SHERMAN. If it will not interrupt you, how many were represented at Buffalo?

Mr. WOOL. I could not tell you. I do not think there were more than five or six, but I could not tell you.

Not only that, but we have just received word that a large number of South American countries will be represented, some of them only with reference to their naval and military, but others will be represented commercially, and will erect buildings and make industrial exhibits. We believe we will have a most attractive exposition, and one that will be a great credit to the Government. We believe that we will have an attendance that will be about as large as that at Buffalo, say 5,000,000.

But let us presume that our estimate is too large. Certainly we ought to have an attendance one-third as large as that at St. Louis, and that would give us over 4,000,000, and with 4,000,000 of attendance at 68 cents we would make \$2,720,000, and we could easily repay the Government this \$1,000,000 and have left a sufficient amount for operating expenses.

You can still further reduce the estimate. Say that we would not have more than 3,000,000 of paid admissions; still, as the report made by the national commission says, it would give us a sufficient amount of money to repay the Government.

Mr. SHERMAN. But not on that 40 per cent; let me call your attention to that.

Mr. WOOL. Ah, but we do not secure you by 40 per cent, as you will see if you read that bill carefully.

Mr. SHERMAN. I understand that, but the proposition is to pay us back at least 40 per cent.

Mr. BARTLETT. Not on this \$100,000 proposition.

Mr. SHERMAN. After July 15 to pay at least \$100,000 a month.

Mr. WOOL. The proposition is that from the opening day of the exposition up to the 31st day of May we shall pay 40 per cent on our gross receipts. Then from the 31st day of May to the 15th day of June we shall pay 40 per cent on our gross receipts. Then from the 15th of June to the 1st of July we shall pay 40 per cent on our gross receipts. From the 1st of July to the 15th of July we have got to pay \$100,000, whether it takes 50 or 60 per cent of our receipts.

During the months of July, August, September, October, and November there are five months in which every two weeks we have to pay \$100,000. So that there is ten payments of \$100,000 each that we have to make during those five months, upon which, of course, would be credited all that we had paid during the months of May and June. So that each payment, on the 15th of July and after, is to be \$100,000, no matter what we have paid before and no matter how much it may make an inroad into our gross receipts.

Now, if we did not have confidence in our ability to do that, we would not want that provision in the bill, nor ask for it. We would rather make a reduction in the amount asked for. But we have every confidence, and we propose to do just as St. Louis has done, and repay this money to the Government. Every dollar of it will be paid back again. We recognize that the Government has dealt liberally by us. We recognize that the Government of the United States has upheld our hands, and we could not have carried on this enterprise without their assistance in a manner in keeping with the dignity and honor of this country. If this loan is granted it will assist us to do so. If it is not granted we will be at our wits' end to see how in the world we can open it on time. We are dealing very frankly with you. It is possible that if this loan was not made we might be able to get along on a little less, and that we might in some way raise such an additional amount as will enable us to open the exposition—say, enable us to light it, and one thing and another; but I say to you now that it would not be done and could not be done in such a manner as you would want to see it done, knowing that the whole world has been invited to come there and help us and participate with us in a great celebration.

Mr. POLLARD. May I interrupt you there?

Mr. WOOL. Certainly.

Mr. POLLARD. What information do you have from those foreign nations that are going to be there and make a demonstration on land or water?

Mr. WOOL. If you will allow Mr. Tucker to answer that he will be pleased to do so, I am sure. I am not familiar, myself, with what foreign countries there are. I have some data in regard to the South American countries, however, that will supplement what he may say.

Mr. POLLARD. I would be glad to have them.

Mr. WOOL. I have a statement here from the commissioner who is handling that on behalf of the exposition. This is simply the Latin-American participation, countries that will participate. There are the Argentine Republic, Brazil, Bolivia, Chile, Costa Rica, the Dominican Republic, Ecuador, Haiti, Mexico, and Venezuela. That makes ten countries.

Mr. POLLARD. That have accepted the invitation?

Mr. WOOL. Yes.

Mr. POLLARD. Have you any information as to what kind of an exposition they are going to make of their resources?

Mr. WOOL. Yes; I can give you the details of it; but it would take some time.

Mr. POLLARD. Give it in a general way.

Mr. MAYNARD. You want to know whether they are going to have an industrial exhibit or just a naval exhibit?

Mr. POLLARD. Yes.

Mr. SHERMAN. Can you give us how much you are going to get from each?

Mr. WOOL. I do not know. The head of this department sets forth here in this extended report just exactly what each one has agreed to do. Most of them, up to this time, have agreed only to be present with their military or their naval representations; but there are some half a dozen out of the lot, perhaps, who have agreed to participate and erect buildings, and to furnish evidences of their industrial progress so far, and he is still working along that line. There are several countries that are considering the matter, Honduras and Panama and Nicaragua among them. Santo Domingo has appropriated \$10,000 in the last few days for the erection of a building.

Mr. MAYNARD. While you are naming the South American countries Mr. Tucker might as well name the others.

Mr. WOOL. Cuba is the only country that has declined the invitation, and she declined on account of the depleted condition of her treasury, which made it impossible to participate.

Mr. TUCKER. I did not know whether your inquiry was with reference to naval and military representation or business representation.

Mr. POLLARD. Both. We would like to know what they are going to do.

Mr. TUCKER. We have now an agent in Europe, and we are encouraged to believe that they will participate, but we have not any definite information.

Mr. MAYNARD. That is as to the business representation?

Mr. TUCKER. Yes. We have never thought that European nations would participate largely in the business part of the exposition.

Mr. SHERMAN. What you may call the land exhibit, as distinguished from the sea exhibit?

Mr. TUCKER. Yes; but we are going to have from all of the countries of Europe a large representation of their navy and from many of them of their army.

Mr. MAYNARD. Have any European nations declined?

Mr. TUCKER. None at all. I have been in conference with the embassies during the last week in regard to the number of vessels that they are going to send. These acceptances have come in not to me personally, but to the State Department. It is being operated through the State Department. The naval board appointed by the National Commission has appointed a board to outline a programme. That programme has been adopted by the Navy Department and sent to foreign countries for their participation.

While I am on my feet, Mr. Chairman, I would like to give you a proper reference to the case of *Holroyd v. Marshall*. It is on page 250 of *Bispham on Equity*, and if it would not be out of place I would be glad to read a line from it.

(Mr. Tucker here read from the work referred to.)

That is the original deed of trust. Discussing the grounds of it, on page 253, you will find in the notes a column of cases following, one in 19 Wallace, a case in Mississippi, one in Texas, one in Arkansas, and so on.

Mr. WOOL. Now, Mr. Chairman, I have taken up so much of your time that I am going to ask that some of the other gentlemen here be given a chance to say a word. As I stated before, the security of the Government resolves itself entirely into a matter of attendance, and it is for the committee to judge whether or not the attendance will be such as to enable us to repay this million dollars; and I want to state this now, that even though the committee might think there was some little question about their getting every dollar back, it would be unwise, in my judgment, not to grant this loan, because we propose to do everything in our power to see that this money is paid back, and I believe you will see that it will be paid. But it is absolutely important that this money should be put at our disposal for the use of this exposition.

Mr. SHERMAN. I want to ask you a few questions.

Mr. WOOL. All right.

Mr. SHERMAN. Nine hundred and forty thousand dollars has already been expended?

Mr. WOOL. That is right.

Mr. SHERMAN. Where was that money raised?

Mr. WOOL. Of that amount, \$250,000 was appropriated by the Government, \$200,000 from the State of Virginia, and the balance from stockholders, practically; some little possibly from——

Mr. SHERMAN. So that \$490,000 you have raised from stockholders?

Mr. WOOL. I do not know that it would amount to that much exactly. I doubt whether we have raised just that amount from stockholders. We have had some other sources of income.

Mr. SHERMAN. What other sources?

Mr. WOOL. There is \$80,000 of that money that we have paid out that we owe the banks.

Mr. SHERMAN. Then you have not raised \$940,000, but you have raised——

Mr. WOOL. We have expended that.

Mr. SHERMAN (continuing). You have expended it—you said “expended?”

Mr. WOOL. Yes.

Mr. SHERMAN. You have expended \$940,000 then?

Mr. WOOL. Yes.

Mr. SHERMAN. And of that the Government has contributed \$250,000?

Mr. WOOL. Yes.

Mr. SHERMAN. The State of Virginia has contributed \$200,000?

Mr. WOOL. Yes; that is right.

Mr. SHERMAN. Or \$450,000. That leaves \$410,000. Now, all of that \$410,000 has been raised from your stockholders?

Mr. WOOL. No, I do not think all of it has been.

Mr. SHERMAN. Where has it been raised from?

Mr. WOOL. There has been a small amount that has been raised—I expect about \$40,000——

Mr. SHERMAN. Where was that from?

Mr. WOOL. That \$40,000 was raised from exhibits and from the spaces which were——

Mr. SHERMAN. Advance payments from concessionaires?

Mr. WOOL. Advance payments from concessionaires on spaces that were granted to them.

Mr. SHERMAN. Then, Mr. Wool, your bill provides at the foot of page 2 (Mr. McKinley calls my attention to this):

and from all moneys received from concessions after the opening of said exposition.

There is no reason why you could not, under the terms of that bill, receive a large part of what was coming from concessionaires as an advance, the same as you have this \$40,000, and the Government lien would not attach to that.

Mr. WOOL. There is no reason why we could not, so far as the language of the bill is concerned.

Mr. SHERMAN. I do not mean that you are likely to, but you could.

Mr. WOOL. Yes. I ought to explain this, that what we have received this from is the charge of something like \$20 per front foot for space on the War Path. It is not a concession. It is simply for space. We receive nothing from them on their percentages, and this estimate I have given is altogether on percentages.

Mr. SHERMAN. What is the total amount of the stock of your exposition, or corporation?

Mr. WOOL. The total amount is about \$1,000,000.

Mr. SHERMAN. Do you not know exactly what it is?

Mr. MYERS. It is \$561,000 of preferred stock and \$450,000 of common.

Mr. SHERMAN. That would make the total \$1,011,000. Why did you take that odd amount?

Mr. WOOL. It was brought out at a former hearing that we had to have a million dollars subscribed in order to organize our company, to have it organized. It was oversubscribed. We expected that some of them would not take their stock, and that is the cause.

Mr. SHERMAN. A good many more than half have not taken it, according to this.

Mr. WOOL. No, sir; there are about 30 per cent of the calls that have been made that are due.

Mr. SHERMAN. But \$370,000 is all that has been paid in.

Mr. WOOL. Yes.

Mr. SHERMAN. How much has been called?

Mr. WOOL. Of the preferred stock, there has been called 86 per cent.

Mr. SHERMAN. Then the call of your preferred stock alone amounts to more than the total amount paid in.

Mr. WOOL. I will ask Mr. Myers to explain that. He is the auditor of the company.

Mr. MYERS. Our stock is in two classes, the common stock of \$450,000 is not a stock that is sold for the purpose of creating the exposition. The \$561,000 of preferred guaranteed stock is to be paid up in full, and that is what goes into the exposition. Of that \$561,000 we have called 86 per cent.

Mr. SHERMAN. Guaranteed by whom?

Mr. MYERS. By the common stockholders, who subscribed for \$450,000. The condition of their subscription is that 28 per cent of their stock shall be called for the purpose of paying for the land on which these structures are to go up.

Mr. SHERMAN. Has that been done?

Mr. MYERS. Yes.

Mr. SHERMAN. Has the 28 per cent been paid?

Mr. MYERS. Twenty-two per cent has been called, and the other will be paid the 1st of January.

Mr. MAYNARD. The amount spoken of by Mr. Wool does not include the amount for the land.

Mr. MYERS. No; the amount spoken of by him does not include the common stockholder. The common stockholder is to himself. He pays for the land, and the 28 per cent raised from him pays for the land which stands as security for creditors and preferred stock, and the 72 per cent of the common stockholder remaining uncalled is a further protection for the creditors and the preferred stockholders. Then the preferred stockholder pays in, including the call made on the 1st of January, the par value of his stock, which goes into the creation of the exposition. The figures given represent it approximately. About \$40,000 has been raised so far from spaces sold to exhibitors and concessionaires on the grounds, and all the balance of that, except the \$80,000 due the bank, has come from the stockholders.

Mr. SHERMAN. On these calls you should have here better than \$550,000 received from your stockholders. Instead of that you have only \$370,000, or you are \$200,000 short.

Mr. MAYNARD. He has not taken any account of the money received from the common stockholders yet.

Mr. SHERMAN. Where has that gone?

Mr. MAYNARD. To pay for the land on which the exposition is built. They have not rented the land, but they have bought it.

Mr. SHERMAN. Is that land included in the \$940,000?

Mr. MAYNARD. I do not so understand it.

Mr. SHERMAN. I want to know about it.

Mr. LEGARE. Do you own that land?

Mr. MAYNARD. Yes, sir.

Mr. LEGARE. Unencumbered?

Mr. MAYNARD. Yes, sir.

Mr. WOOL. I understood that was included.

Mr. SHERMAN. It should be, it seems to me.

Mr. MYERS. I would rather speak from the paper when I get it. I will have it in a moment. If you will pass that for a moment I will remind you that Mr. Wool stated just now that we estimate now about \$600,000, between \$600,000 and \$700,000, that will be available by the opening of the exposition. That includes the balance due by the preferred stock and what is contracted for from the exhibit spaces in the exhibit buildings.

Mr. POLLARD. That will not include the common stock?

Mr. MYERS. No.

Mr. SHERMAN. You do not propose to make any further call on the common stockholders?

Mr. MYERS. That is an indemnity stock. The 72 per cent not paid for the land remains as an indemnity for the preferred stockholders and the creditors at the wind-up.

Mr. SHERMAN. Then, as I understand you, you as a company will raise, all told, less than \$600,000, and the Government has already appropriated \$1,750,000, the State of Virginia a quarter of a million dollars, and you are asking that we loan you a million dollars more; is that about it?

Mr. MYERS. That is about it. Of course there has been money spent in other ways. The city of Norfolk puts in \$175,000, but it does not appear there. She applied it to building a boulevard and laying a water main to the exposition grounds, and she furnishes the water; the county of Norfolk has also appropriated, making up about \$200,000 for the boulevard.

Mr. SHERMAN. But that does not appear in any of your items of expenditure here, as I understand you? You do not include that in the amount that you say is expended?

Mr. MYERS. And we have about \$600,000 due from exhibit spaces, and the balance of the preferred stockholders to complete the budget.

Mr. SHERMAN. You are not to call on your common stockholders?

Mr. MYERS. Not the common stockholders, but the preferred stock.

Mr. WOOL. We have about \$600,000 that we can raise from the preferred stock and exhibit spaces up to the opening of the exposition.

Mr. POLLARD. That is, all told. There is only \$561,000 subscribed on the preferred stock.

Mr. SHERMAN. This is as it appears to me, then: The \$600,000 which Mr. Wool says you have in sight comes in as the receipt from the exposition itself, from earnings of the exposition?

Mr. MYERS. Partly from sale of exhibit spaces.

Mr. SHERMAN. Yes.

Mr. MYERS. We took this view, that our resources did not justify us in putting up exhibit buildings beyond what was absolutely necessary, but if the exhibitors would pay for space, as they did at Buffalo, we would provide additional buildings, and receive from those exhibit buildings probably about \$400,000, which is included in that \$600,000 or \$650,000, and which is not a part of the income on which the loan is asked. We are not putting any lien on receipts from sale of exhibit space. That is, we regard that as a contribution of the manufacturers toward the construction of their buildings. We are charging just as they did at Buffalo.

Before we close let me say this: Reference has been made to the fact that we have a right to expect the same attendance as in Buffalo. Buffalo had about 300 concessionaires. We have laid out space, and have let a large part of it, for over 300 concessionaires. We have exactly the same amount of floor space for exhibitors as Buffalo had. We have three times as many State buildings; we have a naval rendezvous and military feature which Buffalo did not have; railroads and steamboat lines which she did not have, and the population is close to it, and Buffalo lost a great deal in attendance by President McKinley being shot there.

Mr. SHERMAN. There is no doubt about that.

Mr. MYERS. So that our estimates of attendance equal to Buffalo are very conservative.

Mr. SHERMAN. But you have not Niagara Falls, Buffalo's greatest attraction.

Mr. MYERS. One word as to that. Niagara Falls caused loss to Buffalo. If the people who had gone to Buffalo had gone one more time through the gates, it would have made a difference of a half a million dollars in the receipts. But they went to Niagara Falls.

Mr. LEGARE. Will you explain this on page 3—

and said exposition company shall at the same time guarantee to the said Government, under suitable penalties, that the said gross receipts are then entirely free from liens, mortgages, or other incumbrances, etc.

What do you mean by that?

Mr. MYERS. That is the language of the St. Louis bill, which we have followed. The amendment which was suggested by Secretary of the Treasury Shaw and adopted in the Senate committee is very drastic in regard to the manner in which he is to take charge. It not only enables him to put his own officers in charge of the receipts, but to pay them out of the collections.

Mr. Chairman, we have with us our first vice-president, Mr. Alvah H. Martin, one of the most prominent men in our section and one of our leading business men, who is very closely identified with the exposition, and we would like you to hear from him.

STATEMENT OF MR. ALVAH H. MARTIN.

Mr. MARTIN. Mr. Chairman and gentlemen of the committee, I simply want to say one word to you. I speak as a banker of Norfolk. I am a director in three banking institutions there, and I say to you very frankly that the banks of that city would be willing to carry a large proportion of the loan here stated upon the security offered if it were possible for them to do so without withdrawing from the business enterprises of that community the money which is loaned to them.

As Mr. Wool has well stated, the advent of this exposition has created an abnormal number of enterprises that have come there, all flocking to our section, and with the natural growth of the community there, which is very great, it has taken all of the available assets that could be spared from the banks to carry on these enterprises; and I have no hesitation in saying to you gentlemen that you could not in the city of New York to-day negotiate a loan of this magnitude, no matter what the security is.

Gentlemen, it has been stated by a number of the leading members of the dominant party of this Congress, and I happen to be a member of that party myself, that they have voted for the appropriations made for this exposition company not only with a view of carrying out the patriotic desires of the people of this country, but also with the desire to show their good feeling for the South.

I want to say to you, gentlemen, that that feeling has been appreciated very highly; and that the action of President Roosevelt and others in so nobly standing up and aiding us in this proposition has been received with the kindest sort of feeling from our people, and I hope that you gentlemen will see your way clear to gracefully help us with this proposition for a loan. It has been reviewed carefully by the National Commission, consisting of the Secretaries of the Treasury, of the Navy, and of the War Department, and they have

practically recommended it to you, and I hope that it will be your pleasure to agree to it.

Mr. McKINNEY. I would like to ask you a question. I understand that this loan is to be repaid at the rate of \$100,000 every two weeks, beginning the 1st of July?

Mr. MARTIN. Yes.

Mr. McKINNEY. Before that time you are unable to make such a proposition of return?

Mr. MARTIN. I think it would be impracticable to do that prior to that day. The bill provides for 40 per cent of gross receipts to be paid.

Mr. McKINNEY. Do you expect to have, during the summer months, as large an attendance in that locality as you would have earlier and later in that exposition?

Mr. MARTIN. I rather think we will. Our section is a great excursion place. It is right at the seashore. Last summer we had, I will warrant, during the summer months, July and August, every day some excursion. I think we hardly lost a day that there was not an excursion there. Those excursions come from all parts of the South and some from the North. They come there to get to the seashore and for the bathing.

Mr. McKINNEY. There is nothing but the promise of the exposition company here to the effect that that payment shall be \$100,000 every two weeks?

Mr. MARTIN. No, sir.

Mr. WOOL. There is another guaranty, that unless it does reach that figure the entire receipts shall be turned over to the United States, and also the assets of the common stock, this 72 per cent, which is an asset of that company.

Mr. BOWERSOCK. Is this a Virginia company?

Mr. MARTIN. Yes.

Mr. BOWERSOCK. Have you a double liability there, so called?

Mr. MARTIN. Yes; there is a liability for all unpaid subscriptions.

Mr. BOWERSOCK. No; but beyond the unpaid subscriptions, is there a double liability on the stock?

Mr. MARTIN. Not beyond the subscription; but there is 72 per cent of that unpaid.

Mr. BARTLETT. That is a guaranty to the creditors.

Mr. POLLARD. Yes; but under the bill there is only a lien on the receipts.

Mr. MARTIN. But the Government has a lien on everything. Even as a creditor I think the Government would have a preference.

Mr. LEGARE. Not in a matter of this kind.

Mr. MARTIN. The courts go very far in maintaining the rights of the Government.

Mr. BARTLETT. When the Government gets into private business it gets off its throne of sovereignty.

Mr. BOWERSOCK. Is it not true that this unpaid subscription is now pledged to the preferred stockholders?

Mr. MARTIN. I do not understand that it is pledged to the preferred stockholders, but it is an additional asset of which the preferred stockholders can avail themselves if they are not paid off otherwise.

This exposition, gentlemen, also, as you have just been shown, owns the land on which the exposition is to be conducted. That land is an additional asset.

Mr. MAYNARD. What would be the value of that land to-day?

Mr. MARTIN. The company paid for it \$108,000.

Mr. MYERS. With the additional land it will be about \$130,000. That would sell in the market to-day at \$400,000.

Mr. MAYNARD. Would it not be cheap at that?

Mr. MARTIN. Yes.

Mr. LEGARE. Is there any objection to putting a provision in the bill making it an asset?

Mr. MARTIN. It would complicate things to do that, because many of the States are erecting their own buildings.

Mr. MAYNARD. After the Government got, at the worst, all it could get from the monthly payments, it would not then be in any worse position to get the rest of it.

Mr. MARTIN. All the opportunities of salvage have been thrown away in the other expositions, or virtually so. In many instances options to purchase land have been given to the States at this exposition, and they have taken advantage of them, so that they can own the land on which the buildings are erected, and make such disposition of it as they see fit.

Mr. LEGARE. It seems to me that if we could get that in as an additional security you would not have much trouble getting it through the House.

Mr. MARTIN. It seems to me that might complicate the situation, but it is certainly an asset that would be an additional security.

Mr. LEGARE. If it is an asset, why does it not complicate it now?

Mr. BARTLETT. It may be under incumbrance; I do not know.

Mr. KLINE. I do not think that the Government would have any preference over any other creditor.

Mr. LEGARE. Not in a matter of this kind.

Mr. MARTIN. That was the idea of Mr. Bonaparte or Mr. Taft, I forget which one of them it was, who said they understood it had a prior claim under the law.

Mr. BARTLETT. This is a private debt due the Government. It is one of those things a little anomalous.

Mr. POLLARD. Is there any incumbrance on the land?

Mr. MARTIN. There is a small incumbrance, which is to be paid off by this last call on the common stock.

Mr. POLLARD. How much is that?

Mr. MARTIN. About \$50,000. I will say to you gentlemen that in the case of St. Louis there was no requirement of a deed of trust on the land. They did not have it, and could not have given it any way.

Mr. LEGARE. Those fellows in St. Louis said in the House that this would be the last time we would have to make a loan of this kind.

Mr. MARTIN. As I said, a great many have said to me that they desired to make some practical showing of their good feeling for the southern section of the country, which has not had the benefit of many of these expositions, and it occasions great satisfaction there and serves to further unite the sections of this great country.

Mr. BOWERSOCK. Some of us though that we were doing that when we gave you a million and three-quarters.

Mr. MARTIN. We do not consider that you are giving anything now; and I say that if you can do it you understand the stress of financial affairs that prevails all over the country to-day. If the banks had the money, they would be glad to do everything in their power.

Mr. BARTLETT. We might relieve the situation by depositing a million dollars in the Norfolk banks. [Laughter.]

Mr. WOOL. There is one more thing I want to say. The Government of the United States will have three securities. One of the securities will be the receipts from concessions and admissions, as set forth in the bill, which I have attempted to show you ought to be sufficient to pay off this money. Further than that, they will have the same security as any other creditor would have at least.

Mr. KLINE. Excuse me, but do you not suppose the greater portion of the concessions will be paid at the time of the opening of the exposition?

Mr. MAYNARD. No; they pay only a percentage.

Mr. WOOL. It is a small matter. I do not believe we will collect \$100,000 between now and the opening of the exposition.

Mr. BOWERSOCK. Will they be allowed to retain these receipts which they get in on the way?

Mr. WOOL. Some of them are and some of them are not.

Mr. MCKINNEY. Do you expect that you will collect \$100,000 from the concessions before the opening of the exposition?

Mr. WOOL. That is, for the space charges.

Mr. MYERS. Nothing at all for the operation of the concessions?

Mr. WOOL. No.

Mr. JOHNSON. This money that the concessionaire is paying to-day is a guaranty of his acceptance and good faith, and if he falls down we have got this in case he can not continue. It is a bonus. In other words, we are not asking him to give us a bond, which it would be impossible for him to do, but we say "You put up so much for space to show your good faith. If you do not want to do it, we do not want anything to do with you."

Mr. POLLARD. Is this a bonus, or is it to be taken into account with the receipts after the opening of the exposition?

Mr. JOHNSON. It is separate and apart from it. The exhibitor pays it, and does not get it back.

Mr. WOOL. Yes; he does get back some of it. In some cases this is an advance payment, and is credited on what they are to pay from concessions, but not in all cases. In some cases it is a bonus, as you have stated. In some cases it is a payment for space, and not an advance payment. In other cases it is an advance payment. I have not the figures, which I could give you, but if we collected \$100,000 from concessions there would be probably \$50,000 that would be credited on the payments that have to be paid to us.

Mr. POLLARD. That is in advance?

Mr. WOOL. Yes.

Mr. POLLARD. Then the Government would not have any lien on that?

Mr. WOOL. In such cases it is only an advance against 50 per cent of the future receipts.

Mr. KLINE. This is a payment in consideration of having a first option on certain specified space?

Mr. WOOL. Yes. There is a part of it that will come out. This is the point that I wanted to make to you, that in the first place the Government has as security these gross receipts. I have stated that if this loan is made this exposition will open without any creditors except the Government of the United States and the stockholders of this company. Of course that is merely a statement, but I will say that we are very careful and have gone over this budget and have taken into account the expenses to the opening of every department of this exposition, and I am in a position, as chairman of that budget committee, to say that if this loan is granted this company will not be indebted when the exposition is opened except to the Government for this loan and to the stockholders in the enterprise.

Mr. RODENBERG. You are offering the Government the same security as was offered by St. Louis?

Mr. WOOL. Yes.

Mr. RODENBERG. It is the belief that there will be sufficient attendance there to pay?

Mr. WOOL. To pay back exactly as St. Louis did.

Mr. LEGARE. Mr. Myers said there was allotment of space for more concessionaires than at Buffalo. How many of those spaces have been taken?

Mr. MYERS. We call it the Warpath, and our Warpath is larger than the amusement space at Buffalo. Two-thirds of it is taken.

Mr. MAYNARD. It will all be taken?

Mr. MYERS. We think so.

Mr. WOOL. We have applications for more space than we have. But this is the point: Not only ought this committee to consider that this exposition will be able to return a little more than one-fifth of what they loaned the St. Louis exposition, but they also have security that St. Louis could not offer. In the first place, we have a tract of 400 acres of land which is watered, sewered, and beautifully embellished.

Mr. LEGARE. You will not give us that as a security, though.

Mr. WOOL. But it is security, because after we pay you back, say, \$750,000 out of admissions and concessions, suppose that we still owe the Government of the United States \$250,000, which still stands as a debt; if the Government is not preferred, still it stands on an equality with any other creditor as to the assets of the company.

Mr. BARTLETT. Provided that you do not create any lien on it.

Mr. WOOL. Yes; that is right.

Mr. LEGARE. You do not guarantee that you will not create any lien on it. There is nothing in this bill to stop you from doing that?

Mr. WOOL. Nothing in the world. I say it is like a loan made at a bank; it is based on confidence. I have said to you that if this loan of a million dollars is made to this company it will not need to get a loan from anybody else.

Mr. BARTLETT. I would rather give you a million dollars than to lend it to you.

Mr. WOOL. I do not think that is the best view, either. If you give it to us you have no hope of getting it back, but if you lend it to us you have certainly a right to hope to get most of it back, if not all.

I say that you have admissions and concessions, as set forth in this bill, and in addition to that you have this land, as to which the Government would stand in the same position as any other creditor as to the assets of the company. What are they? There is a piece of land there which with the improvements ought to be worth from \$400,000 to \$500,000, to say the least. There is the common stock, which is assessable up to the extent of \$300,000 more than will be paid in. There is \$800,000 of assets. And the only other debt that we will have besides what we owe the Government will be probably \$500,000.

Mr. POLLARD. What is that?

Mr. WOOL. That is the preferred stock.

Mr. MYERS. That is the creditor.

Mr. WOOL. That is right.

Mr. McKINNEY. Do you suppose anything could be collected from that common stock?

Mr. WOOL. Yes; I think Mr. Martin here has something like \$15,000 of common stock.

Mr. McKINNEY. There is nothing compelling him to retain that common stock, is there?

Mr. WOOL. Yes, sir; he can not get rid of it. He has that common stock. I have \$5,000 of it.

Now, I want to say, gentlemen, as a business proposition, that the Government can not make but one thing out of this, and that it to add to its dignity and its honor through us as its agents. That is the one thing it can make out of it. It can not receive interest on the loan. And what is the dignity and honor of this country worth? Is it worth a million? Are we to create an exposition, are we to put our brain, our sinew, and our money into an enterprise to invite the nations of the earth to come here, and then because of the fact that we lack a little money at the end be unable to make it all that it ought to be for fear that the Government will not get all of this money back? Gentlemen, we have got to take a broader view than that. We do not ask you to give it to us, but we only ask you to do what you did for St. Louis. We ask you to say by your act that you believe we will be one-fifth as large as St. Louis, and we pledge you to-day that if economical business management and ability can pay every dollar of that money back into the Treasury it shall go there, and you will say, just as the people did about St. Louis, that every dollar of it was returned to the Treasury.

Mr. BOWERSOCK. Are the officers of this company willing to say that they will not be back here after a deficit before this thing is closed up?

Mr. WOOL. For one, I will be willing to say it.

Mr. MAYNARD. I am here to say that I will not vote for a bill to that effect if I am here when it is over.

Mr. WOOL. We will have no other debt except that to the Government and to the preferred stockholders, and from our assets we can pay them off and pay the preferred stockholders off, if we have to sell the land to do it.

Mr. KLINE. They would be postponed to the payment of this debt?

Mr. WOOL. Yes.

Mr. MYERS. In asking you to report this bill, we are asking you to report it to-day. You gentlemen are going home to enjoy your Christ-

mas, and unless the matter is passed upon it could not be reached until early in January. The invitations that have gone all over the world and that have been accepted have been for the opening in May. We have got to be ready. The weather is good, and we are hard at work. There is every reason to believe that all the structures, including the Government's own buildings, will be ready on the 26th of April, when the opening occurs.

Not only will our expenses be very much increased if we are squeezed into the last few weeks by a congestion of labor, which at present is giving us no trouble, but the time will be so short that we will have to pay through the nose for everything we get, and then perhaps not be able to get it done. If that bill is reported to-day and can pass before the adjournment, it will mean a tremendous saving in the cost of our construction, enabling us to go along as we are now doing; and it will mean not only that, but it will mean that with an ordinary winter, which enables us to work right straight through, we will be ready by the 26th of April all along the line.

Mr. LÉGARÉ. In other words, this is necessary or the exposition will be practically a failure?

Mr. MYERS. We can not finish the exposition without this sum. Money is lending in New York at 25 or 30 per cent. Our banks, which ordinarily can go up to New York and borrow money, are shut in to our community and can not aid in handling it as they might.

Mr. MAYNARD. Do you want to say anything more, Mr. Martin?

Mr. MARTIN. No.

Mr. MAYNARD. I think all the gentlemen who desired to be heard have been heard, and I move that the committee go into executive session.

(At 12 o'clock m. the committee went into executive session.)

Amounts needed to complete Jamestown Tercentennial Exposition, submitted by Mr. T. J. Wool.

President's office	\$6, 800. 00
Board of governors	10, 037. 50
Secretary's office	3, 420. 00
Treasurer's office	2, 150. 00
Auditor's office	5, 072. 50
Medical department	1, 950. 00
Legal department	4, 710. 00
Congresses and special events	13, 025. 00
Ways and means	937. 50
Exploitation	99, 637. 50
Department of exhibits	30, 270. 00
History and education	54, 250. 00
Concessions, admissions, and collections	15, 700. 00
Governor of works' department (detail attached)	1, 197, 717. 94
Sundries	229, 701. 62
Total	1, 675, 379. 56

The largest item in above statement being that of the governor of works' department, a detailed statement of expenditures is given, and is as follows:

DEPARTMENT OF GOVERNOR OF WORKS, JAMESTOWN.

Salary of governor.....	\$2,400.00
Salaries of chiefs, stenographers, clerks, inspectors, etc.....	12,000.00
To complete existing contracts.....	382,154.94
Buildings:	
Education and social economy.....	52,000.00
Office buildings.....	20,000.00
Virginia manufacturers.....	130,000.00
Intramural department and guard quarters.....	15,000.00
Grand stands, pavilions, public comfort booths.....	25,000.00
Sculpture work and fountains.....	15,000.00
Paving warpath.....	25,000.00
Treatment of streets.....	55,000.00
Sidewalks.....	15,000.00
Tree moving.....	5,000.00
Water system and sewer system.....	40,000.00
Canoe trail, dredging and treatment.....	15,000.00
Electrical department.....	230,463.00
Landscape work.....	25,000.00
Fencing Boush creek.....	2,500.00
Seating, decorating auditorium building.....	7,000.00
Painting and treating buildings in spring.....	5,000.00
Chairs and benches.....	5,000.00
Convention pavilion.....	10,000.00
Mothers and children's building and playground.....	4,000.00
Women's building.....	1,000.00
Telephones, installing.....	1,200.00
Horses, vehicles, and harness.....	3,000.00
Fire department.....	17,000.00
Elizabeth River pier.....	12,000.00
Tools and implements.....	1,000.00
Gas mains, 2-inch pipe.....	10,000.00
Additional for fireproofing history building.....	10,000.00
Bulkhead and boardwalk.....	20,000.00
Draining and filling lowland.....	10,000.00
Rent of extra grounds for military.....	10,000.00
Bridges and viaduct.....	5,000.00
Total.....	1,197,717.94

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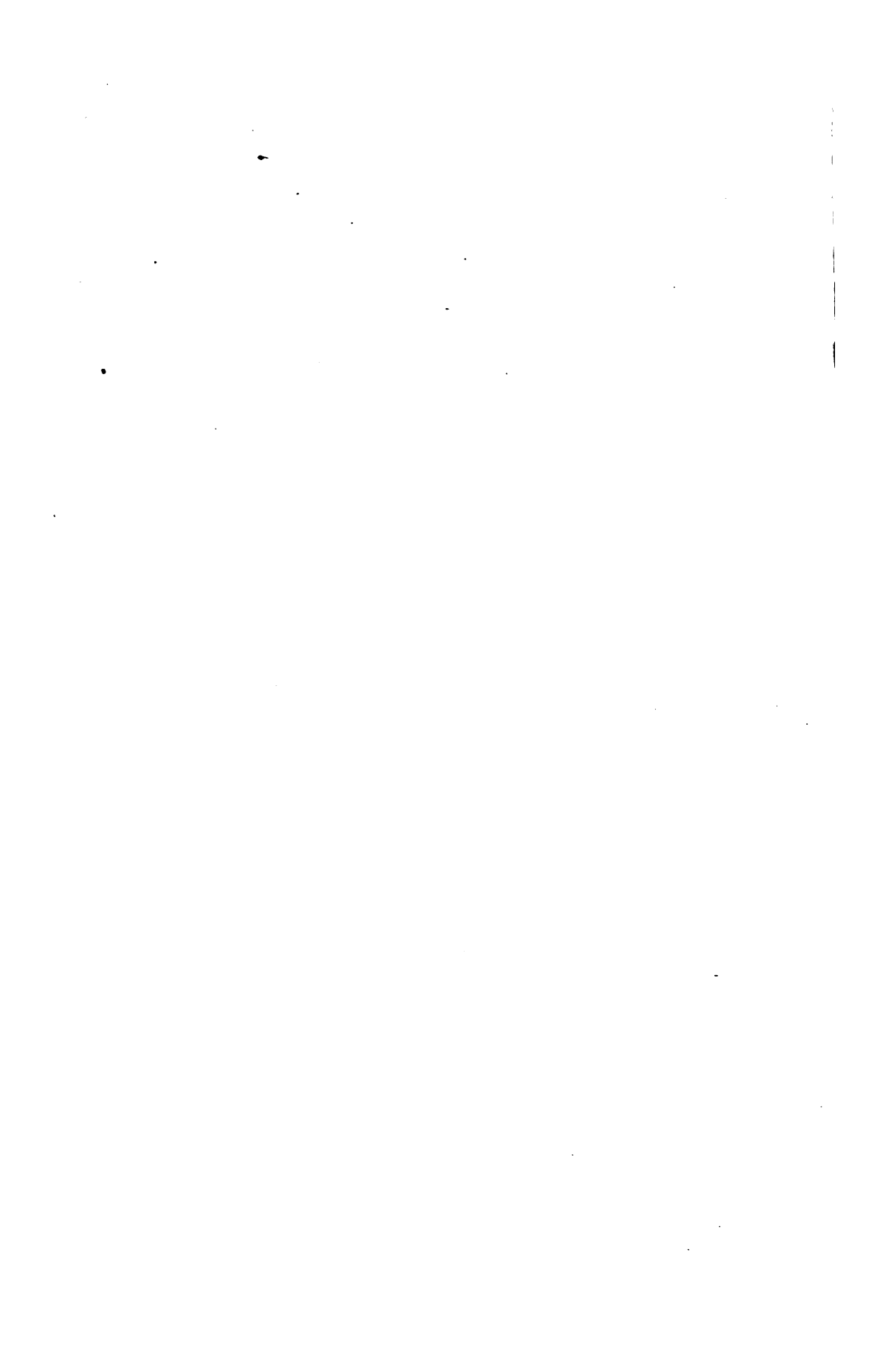


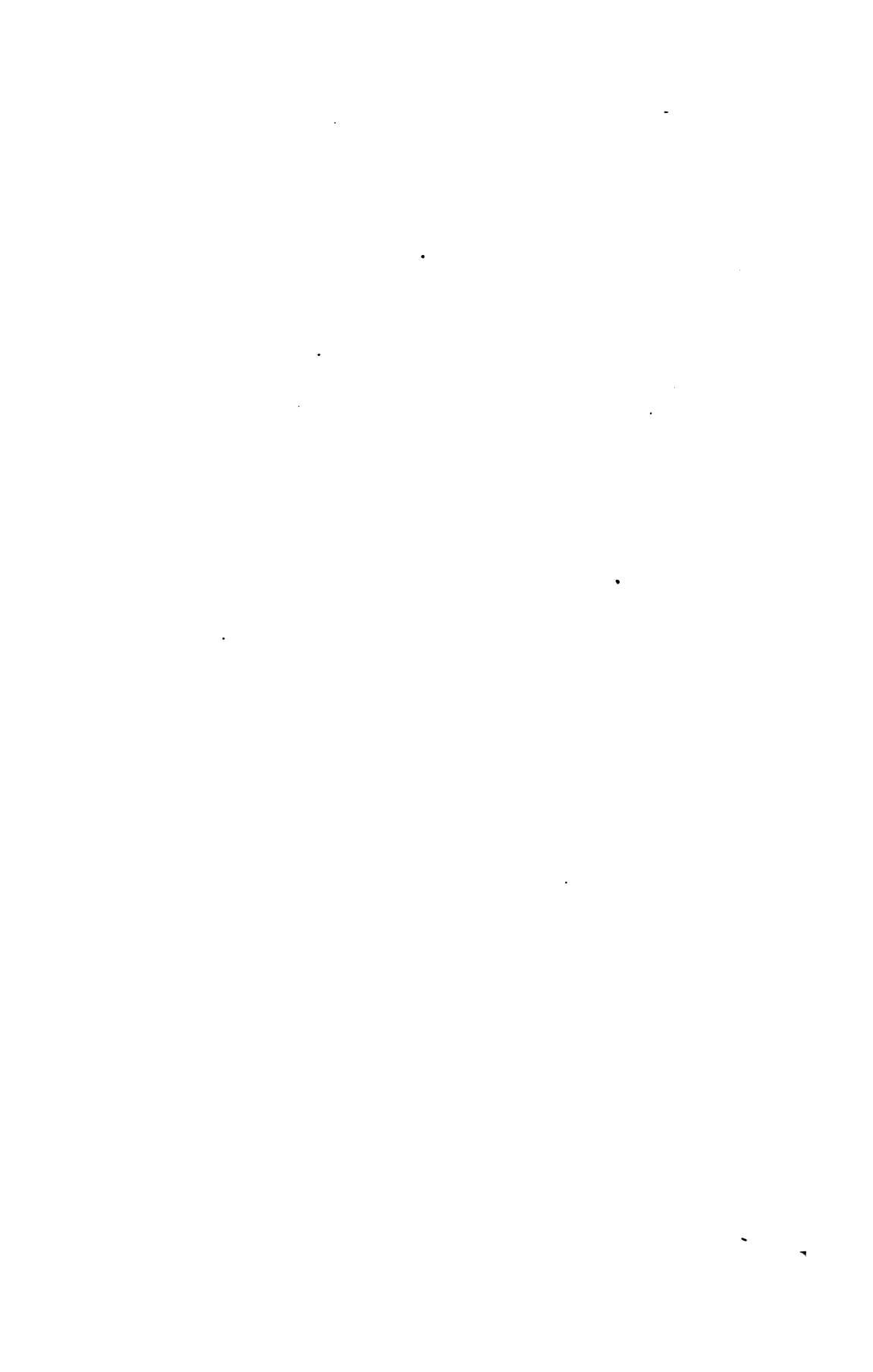


















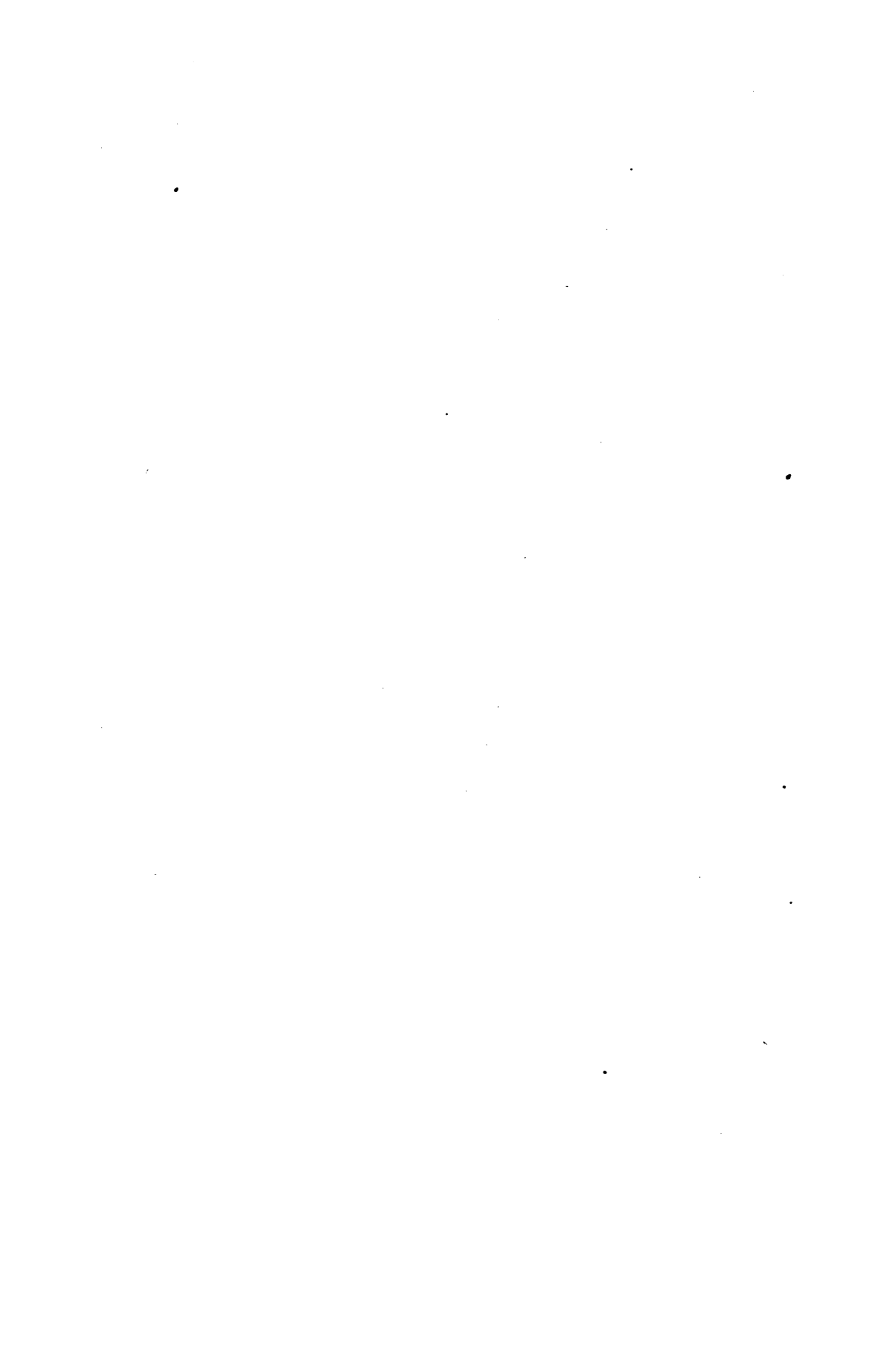


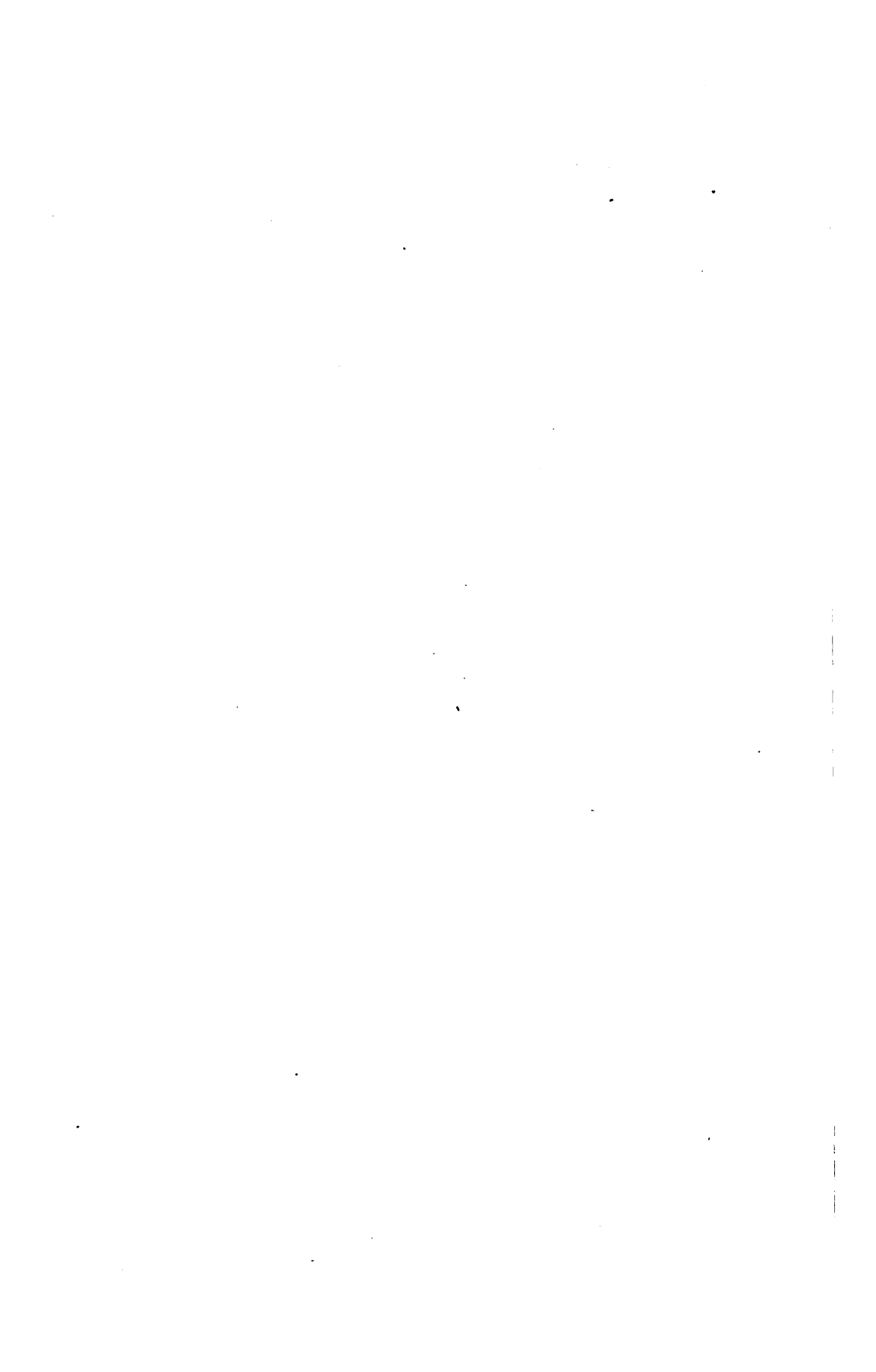


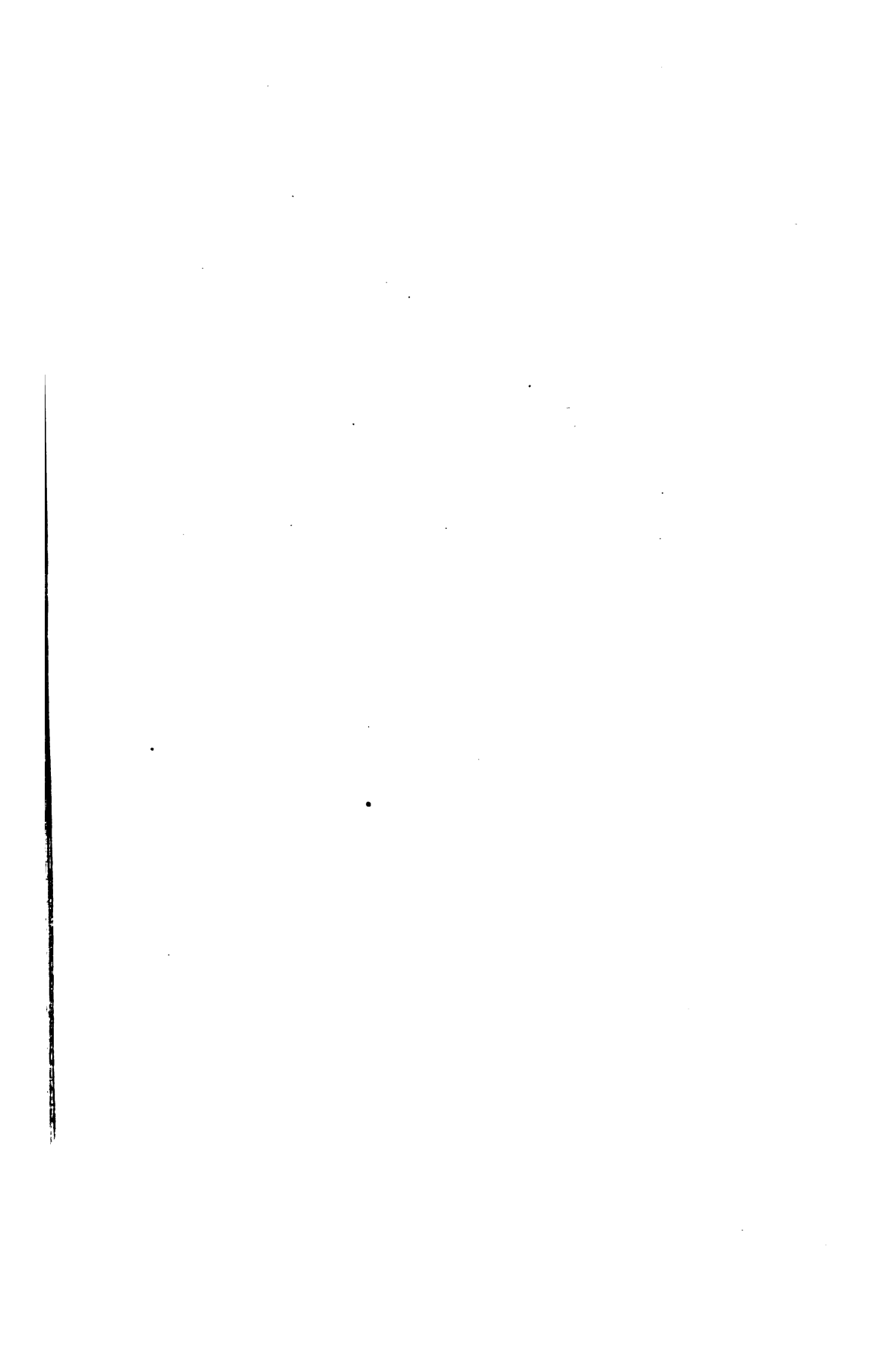
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